

Message Text

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61

ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 INT-05 GSA-01 COME-00 TRSE-00

FEAE-00 CIAE-00 DODE-00 INR-07 NSAE-00 PA-01 USIA-06

PRS-01 SP-02 EA-06 NEA-09 EUR-12 AID-05 NSC-05

CIEP-01 SS-15 STR-04 OMB-01 CEA-01 XMB-02 L-02 /100 W

----- 077668

R 281410Z APR 75

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC 8909

INFO AMEMBASSY ALGIERS

AMEMBASSY CANBERRA

AMEMBASSY CARACAS

AMEMBASSY

AMEMBASSY LONDON

AMEMBASSY NEW DELHI

AMEMBASSY

AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO

USMISSION GENEVA

USMISSION OECD PARIS

AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

LIMITED OFFICIAL USE BRASILIA 3234

E.O.11652: N/A

TAGS: EMIN, ETRD, BR

SUBJECT: IRON ORE PRODUCERS ORGANIZATION

REF: A. STATE 91074 B. BRASILIA 2976 (NOTAL) C. LONDON 5840

1. SUMMARY: GOB CONFIRMS DECISION TO JOIN IRON ORE PRODUCERS GROUP. END SUMMARY.

2. EMBASSY OFFICER ON APRIL 23 CONTACTED SECRETARY GENERAL OF LIMITED OFFICIAL USE

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MINES AND ENERGY REGARDING TOKYO STATEMENT BY PRESIDENT OF

STATE-OWNED MINING COMPANY, CVRD, THAT BRAZIL WOULD NOT JOIN IRON ORE PRODUCERS ORGANIZATION. EMBOFF NOTED APPARENT INCONSISTENCY BETWEEN THAT STATEMENT AND EARLIER INFORMATION CONVEYED BY SECGEN (REF B) THAT GOB HAD DECIDED IN FAVOR OF JOINING IRON ORE GROUP. SECGEN SAID THAT INFORMATION ON GOB DECISION TO JOIN ORGANIZATION HAD COME DIRECTLY FROM MINISTER UEKI AND THAT HE WAS AWARE OF NO SUBSEQUENT DEVELOPMENT INDICATING ANY CHANGE OR RECONSIDERATION OF DECISION.

3. IN SEPARATE CONVERSATION WITH AMBASSADOR CABRAL DE MELLO, CHIEF OF FONOFF ECONOMIC DEPARTMENT, APRIL 24, ECON COUNSELOR HAD OCCASION TO RAISE TOKYO REPORT. CABRAL DE MELLO SAID REPORT OBVIOUSLY WAS INCORRECT. HE PERSONALLY SAW NO REASONS WHY BRAZIL SHOULD NOT JOIN. GOB HAD ATTENDED MEETING OF THE GROUP IN GOOD FAITH. HE HAD PERSONALLY REVIEWED PROPOSED ARTICLES OF AGREEMENT. THE GROUP COULD BE OPEN TO CONSUMERS AS WELL AS PRODUCERS, AND WOULD BE CONSULTATIVE IN NATURE. HE DID NOT SEE ANYTHING OBJECTIONABLE.

4. DURING APRIL 25 MEETING WITH AMBASSADOR ON ANOTHER SUBJECT, MINISTER OF MINES AND ENERGY UEKI CONFIRMED THAT GOB HAS DECIDED TO JOIN IRON ORE PRODUCER GROUP AND SAID THAT GOVERNMENTS OF SOME PRODUCER COUNTRIES HAVE ALREADY BEEN ADVISED OF DECISION. MINISTER SAID THAT STATEMENT BY CVRD PRESIDENT OPPOSING MEMBERSHIP RELECTED GENERAL ATTITUDE OF INDUSTRY, BOTH STATE-OWNED AND PRIVATE COMPANIES. UEKI SAID THAT HE HAD INFORMED COMPANIES THAT THEY WERE FREE TO EXPRESS SUCH OPINIONS PUBLICLY AND COMMENTED TO AMBASSADOR THAT SUCH STATEMENTS WOULD STRENGTHEN GOB ANTI-CARTEL POSITION IN DEALINGS WITH OTHER PRODUCER COUNTRIES.

5. UEKI CONTINUED THAT GOB IS STRONGLY OPPOSED TO PROLIFERATION OF EFFORTS AMONG COMMODITY PRODUCERS TO FORM CARTEL-TYPE ORGANIZATIONS. HE SAID THAT CERTAIN DEGREE OF PRODUCER COORDINATION TO OVERCOME PROBLEMS OF MARKET INSTABILITY WAS DESIRABLE BUT THAT UNRESTRAINED EFFORTS TOWARD FORMATION OF CARTELS COULD AFFECT A LARGE NUMBER OF PRODUCTS TRADED INTERNATIONALLY WITH ADVERSE REPERCUSSIONS FOR ALL COUNTRIES. HE ADDED THAT BOLIVIA HAD RECENTLY APPROACHED GOB WITH PROPOSAL FOR PRODUCER CONTROL ON TUNGSTEN WHICH, UEKI SAID, LIMITED OFFICIAL USE

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GOB HAD FLATLY REJECTED.
CRIMMINS

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NNN

Message Attributes

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Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
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Document Unique ID: 00
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Film Number: D750148-0933
From: BRASILIA
Handling Restrictions: n/a
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05 JUL 2006

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